

The Contractor shall ensure that the card which is designed and produced for the California EBT system complies with Federal regulations 7 CFR 274.12 (h)(6), Quest Operating Rules, and ANSI/ISO standards. The Contractor shall comply with the requirements defined by the State regarding card embossing, sleeve, printing, and design.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### **6.7.1 Primary Account Number (PAN)**

The PAN is a 16 to 19-digit numeric field that provides the means of identifying the designated card issuer and the client to whom the card was issued. The PAN may not alter or conflict with any numbering system currently in use by the counties.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### **6.7.2 Personal Identification Number (PIN)**

The PIN is comprised of four (4) alphanumeric characters or digits. The PIN shall be verified at the EBT host; the PIN offset shall not be carried on the access card's magnetic stripe.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### **6.7.3 Bank Identification Number (BIN)/Industry Identification Number (IIN)**

The BIN/IIN is a six-digit number encoded on the magnetic stripe that begins immediately after the start sentinel and consists of 6 contiguous digits. A State-specific EBT BIN/IIN will be used by the Contractor to only provide access to the specified benefits. At the end of the contract period, use of the BIN/IIN will revert back to the State of California. The BIN/IIN will comply with ISO 7813.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.7.4 Card Expiration Date**

The EBT card shall be non-expiring. Each non-expiring card shall use the "4912" convention encoded on Track 2.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.7.5 Card Personalization**

EBT cards shall have the cardholder's name, welfare case number, and PAN on the face of the card, in accordance with ISO 7811. A signature panel shall be provided on the back of the card. The PAN shall be embossed.

There may be more than one cardholder per account. Each card must contain unique identifying data (name and PAN) and use a cardholder-selected PIN. All accounting and reporting functions must be able to handle this multiple-card-per-account requirement. The Bidder should describe its plan to accommodate this requirement.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.7.6 Non-Discrimination Statement**

A statement of non-discrimination shall be printed on the card reverse and any brochure or other training materials provided with the card. The statement shall read as follows: "This is an equal opportunity program. If you believe you have been the victim of discrimination in your efforts to receive Government benefits because of your race, color, national origin, sex, disability, religious beliefs, or political beliefs, contact the FNS Administrator in Alexandria." If space does not allow the full non-discrimination statement, the statement on the card reverse shall read, "The USDA is an equal opportunity provider and employer," and the full non-discrimination statement shall be printed on the card sleeve.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.7.7 Card Design and Security Specifications**

The State shall provide card and card sleeve design concepts to the Contractor. The State shall direct card and sleeve design, and the Contractor shall work with the State and shall submit card

and card sleeve design samples for selection and approval. Card and card sleeve samples shall be submitted to the State for approval whenever the card or card sleeve is redesigned or changed in any respect.

Card security features are designed to deter counterfeiting and the lifting of data from the magnetic stripe. Security features are also designed to verify recipient identity and to assist with investigations. The State recognizes that future advancements may result in the development of improved security features that could be incorporated into EBT cards (e.g. chip technology, biometrics). At this time, the State does not intend to incorporate biometrics such as photographs or fingerprints; however, the EBT system design must not preclude the addition of biometrics in the future.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### 6.7.7.1 Card Face

The following features shall be included on the front of the EBT card:

- Four Color Printing: A four-color printing process shall be used for the card. Card design shall be based on State-supplied material.
- Hologram: A whole or partial EBT hologram shall appear on the front of the card
- Embossing: The cardholder's PAN shall be embossed on the card. At least three (3) characters of the PAN shall be embossed over the EBT hologram
- Fine Line Printing: The card shall contain microscopic print bordering the Quest mark. A manufacturer's alphanumeric identification shall be included as part of the fine line.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### 6.7.7.2 Card Reverse

The following features shall be included on the reverse of the EBT card:

- Non-white Reverse: The card shall have a colored reverse.
- Signature Panel: The card shall contain a tamper-evident signature panel.
- Liability Language and Instructions: The card shall clearly state in English: Do Not Write PIN on Card. A toll-free number for reporting lost or stolen cards shall be printed on the card and on a separate card envelope or sleeve.
- Magnetic Tape: Hi-coercivity tape shall not be used.
- Statement of non-discrimination.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

## 6.8 Card Issuance and PIN Selection

A magnetic stripe EBT card will be issued to each recipient, AR, Protective Payee, and/or designated adult household member. In the event that there is more than one cardholder for an account, each card shall have a separate PAN and PIN. The State will use a combination of over-the-counter and mail based card issuance methods.

Counties will determine when cards will be issued to recipients. Card issuance will occur either prior to or after final eligibility determination depending on county operational procedures.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### 6.8.1 Conversion

**County Option:** For conversion from paper based benefit issuance to EBT, each county shall have the option to use an over-the-counter conversion methodology or a mail-based conversion methodology. (Except Los Angeles County, see Section 6.8.1.2.5).

Conversion pricing must be shown in Section 7, Schedule 1c.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.1.1 Over-the-Counter Conversion

For counties that choose the over-the-counter conversion option, the Contractor shall issue cards over-the-counter at county designated locations (except for homebound recipients who shall receive a card and PIN in the mail). During conversion, the Contractor shall mail a training package to each designated cardholder containing a prescheduled appointment to report to a card issuance location to receive his or her EBT card and select a PIN. Evening and weekend appointments shall be available to accommodate working recipients' schedules.

Enclosed instructions shall inform recipients of the right to reschedule the appointment time and date in the event of emergency or other unavoidable scheduling conflict. (For additional information on training, refer to Section 6.9). At the time of card issuance, the recipient shall swipe the card through a PIN selection device to select a PIN and activate the card. At that time, face-to-face training using demonstration POS equipment shall be available to any cardholder

who requests it or who is identified as having special needs (e.g. visually impaired, illiterate, seriously ill, elderly, mentally/emotionally disabled).

The county shall determine if card issuance activities will occur in the county offices or at an off-site location. If the county chooses not to use welfare department locations for card issuance, the county will secure appropriate site(s) for conversion activities. The Proposal shall specify the site requirements and telecommunications requirements for card issuance activities at three levels of card issuance activity: 1) A low volume card issuance site suitable for small counties with caseloads less than 2,000 cases, such as Calaveras with 1,407 cases; 2) A medium volume card issuance site suitable for medium counties with caseloads between 2,000 and 10,000 cases, such as San Mateo with 6,237 cases; and 3) A high volume card issuance site suitable for large counties with caseloads greater than 10,000 cases, such as Contra Costa with 21,092 cases.

Card issuance site and telecommunications requirements provided by Bidders shall include, but not be limited to: 1) Square footage requirements; 2) Office layout requirements; 3) Furniture requirements; 4) Electrical outlet and electrical capacity requirements; 5) Equipment connectivity and telecommunications requirements; 6) Client access requirements; 7) As-needed, face-to-face recipient training requirements; 8) Storage requirements; and 9) Security requirements.

For each set of card issuance site and telecommunications requirements required above (low, medium and high volume sites), Bidder shall provide the estimated number of recipients processed per hour and the estimated number of Contractor conversion staff, Contractor training staff and county conversion support staff required.

Working with the county, the Contractor shall develop a schedule for card issuance and PIN selection, designed to control the flow of individuals and track attendance. The Contractor shall provide the county with a report of those recipients who did not attend their scheduled appointment within three (3) days of the missed appointment. At the time of card issuance, the Contractor shall ensure that the individual receiving the card provides valid identification and signs for the receipt of the card.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.1.2 Mail-Based Conversion

For counties that choose the mail-based conversion option, the Contractor shall mail cards and PINs to recipients. The cards shall be mailed activated. Pre-assigned PINs shall be mailed two to three days after the mailing of the cards. It is critical that recipients receive information on the conversion methodology prior to card and PIN mailings.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.1.2.1 Training Support via the Automated Response Unit**

For counties using mail-based conversion a toll-free training support number, separate from the statewide customer service center number, shall provide recipient training assistance through an ARU function 24 hours per day, seven days per week during the conversion period. The ARU shall address the most important topics to assist a cardholder in using the EBT System. The ARU shall provide instructions on topics such as:

- How to obtain face-to-face training if desired
- How to perform a Food Stamp transaction
- How to perform a cash transaction
- Card and PIN care and usage
- Benefit availability date
- How to conduct a balance inquiry
- Where EBT cards may be used
- How to report a lost, stolen or damaged card
- Card and PIN replacement

Recipients shall be able to call the Training ARU from pay phones, according to the requirements of Section 6.11.2.1. The Training ARU shall be in the ten languages required in Section 6.11.2.2. The State must review and approve all ARU messages in all required languages before they are used on the system. The Contractor shall not change ARU messages or menu functions without prior approval of the State. The training ARU shall meet performance standards that are customary for such lines in the EBT industry.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.1.2.2 Walk-in Training Centers**

The Contractor shall provide staff for recipient walk-in training centers to support conversion activities. Recipients will self-select to visit the training centers for the purpose of obtaining training materials, viewing a training video, practicing a POS transaction, or receiving face-to-face instruction.

Counties are responsible for securing facilities for the walk-in training locations. Additionally, counties will provide storage, furniture, phone and electrical line installation. The number of walk in training centers will vary from county to county. Proposals shall address the walk-in training center requirements (e.g., square footage, furniture, equipment, electrical outlets, phone lines, recipient capacity, etc.).

Training centers shall open to serve recipients concurrent with card mailings. Training centers shall remain open in a county implementation area for a period that is appropriate to the volume of recipients transitioning to EBT. Training centers will be operated on a staggered basis consistent with county implementation schedules, and shall provide for evening and weekend hours to accommodate working recipients' schedules.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.1.2.3 *Recipient Notice*

For the first EBT benefit cycle, the Contractor shall mail a notice to recipients that have not accessed accounts for ten (10) days after the benefit availability date. The notice shall advise recipients that a card and PIN were previously mailed and to call the customer service center for assistance or to contact their eligibility worker if there is a problem.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.1.2.4 *Conversion Report*

For the first EBT benefit cycle, the Contractor shall produce a report listing recipient accounts that have not been accessed for thirty (30) days after benefit availability date. This report shall be distributed to the county, sorted by eligibility worker and case number.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.1.2.5 *Los Angeles County*

The Contractor shall convert Los Angeles County to EBT using mail-based conversion as described in Sections 6.8.1.2 – 6.8.1.2.4.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.2 Ongoing Operations**

**County Option:** After conversion, for card issuance for new cases, each county shall have the option to issue cards and PINs over-the-counter, or have the Contractor mail cards and PINs to recipients. The county may elect its card issuance method on a case-by-case basis. For example, the county may choose mail-based card issuance overall, but choose to issue cards over-the-counter due to individual circumstances, or the converse.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.2.1 Over-the-Counter Card and PIN Issuance**

For counties that choose the over-the-counter option, the Contractor shall equip designated card issuance locations with card stock, and all equipment necessary to perform over-the-counter card issuance and PIN selection. The Bidder shall propose card personalization equipment with performance and capacity specifications appropriate for the volume of cards anticipated for each county office that issues cards. The Bidder shall provide manufacturer's specifications for the card personalization equipment proposed. The Contractor shall provide, install and maintain all required equipment. Each county will determine the required number of card issuance locations.

Each county shall be responsible for site preparations at each location where card issuance and PIN selection equipment is to be installed. County responsibility shall include furniture, power and phone lines as may be required to support said equipment. The Proposal shall specify site requirements for each card issuance/PIN selection station. The Contractor shall be responsible for coordinating site preparations with each county.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.2.2 Mail-Based Card and PIN Issuance**

For counties choosing mail-based card issuance, the Contractor shall mail cards and PINs to recipients. PINs shall be mailed separately along with instructions on how the recipient may change the PIN. Cards and PINs shall be mailed daily, Monday through Saturday, using First Class postage. Cards shall be delivered to the postal facility no later than the next business day following the receipt of account setup information from the county.



For Counties using mail-based PIN issuance, Contractor shall provide, install and maintain the equipment necessary to change PINs in one or more locations in each county. Each county will determine the required number of locations.

Counties using mail-based card issuance shall also be equipped with card personalization equipment and card stock to allow over the counter card issuance on a case-by-case basis. Each county will determine the required number of locations for over-the-counter card issuance.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### 6.8.3 Expedited Issuance

The EBT system shall be able to provide same-day account set-up, benefit authorization and card issuance in order to provide same-day access to benefits as may be required to meet program requirements.

For all counties, for expedited/immediate need cases, authorized county staff shall set-up an account and authorize benefits on-line using an administrative terminal or host-to-host interface. Card issuance and PIN selection shall also be done at a designated county location. As described above, the Contractor shall provide, install and maintain the required equipment to perform these functions in one or more locations in each county.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### 6.8.4 Card Replacement

The Contractor shall handle reports of lost, stolen or inoperative cards through the 24-hour CSC. In the event that a recipient's card is reported lost, stolen, or inoperative through the CSC or through an administrative terminal transaction, the Contractor shall immediately deactivate the card. The recipient must receive a replacement card within three (3) business days of card deactivation. The Contractor shall, therefore, ensure that the replacement card is mailed not later than the U.S. Postal Service day following the request for the replacement card. Cards shall be mailed daily, Monday through Saturday, using first class postage. When an EBT card is replaced, the replacement card shall carry a new PAN. A PAN shall never be reissued. The Contractor shall maintain a log of cards reported lost, stolen, inoperative and card replacements. The log shall include date and time of call and reason for replacement, and method of replacement.

**County Option:** For issuance of replacement cards on existing cases, each county shall have the option to issue cards over-the-counter, or have the Contractor mail cards to recipients. The county may elect its card replacement method on a case-by-case basis.

For counties that choose the over-the-counter option, the Contractor shall supply designated card issuance locations with card stock, and shall provide, install and maintain all equipment necessary to perform over-the-counter card issuance and PIN selection. Each county will determine the required number of card issuance locations.

For counties choosing mail-based card and PIN issuance, the Contractor shall mail cards to recipients with the existing PIN still in place, or shall issue a new PIN in a separate mailing.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.4.1 Fees for Card Replacement

Replacement cards will be provided to cardholders, as needed, without the imposition of a fee. However, the State reserves the right to change this policy in the future, and to collect fees for replacement cards as allowed under FNS regulations. The Contractor's system shall be capable of deducting any card replacement fee directly from the food stamp or cash account.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### 6.8.5 Homebound Recipients' Card Issuance and PIN Selection

Homebound recipients without an AR shall have an EBT card and pre-assigned PIN issued via the mail, and shall be able to change the PIN via the ARU. The Contractor shall provide a secure method to authenticate the homebound recipient's identity prior to PIN selection. The State has a federally approved waiver to allow ARU PIN selection for homebound recipients.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.8.6 PIN Change

In the event that a cardholder's PIN is compromised, or a cardholder wishes to change the PIN for any other reason, the cardholder may do so at a designated county location. Cardholders shall also be allowed to change a PIN via the ARU (pending FNS approval of a waiver requested by CDSS). For an ARU PIN change, the Contractor shall provide a secure method to authenticate the cardholder's identity prior to making the PIN change. No restrictions shall be placed on the frequency of PIN changes by the cardholder.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.7 Inter-County Recipient Move**

In the event that a recipient moves from one county and establishes eligibility in another, the recipient shall have a new EBT account established and shall receive a new EBT card. If there are benefits remaining in an EBT account from the county from which the recipient is moving, those benefits shall remain available to the recipient via the old EBT card. The old EBT account shall remain active until the benefits are consumed, or the account ages and benefits are expunged according to the requirements of this ITP.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.8 Card and PIN Management****6.8.8.1 Card Management**

The Contractor shall be responsible for card management, including returned card stock. Card management and control procedures shall be addressed in the EBT Security Plan and shall be provided to the State for review and approval. Refer to Section 6.15 regarding the EBT Security Plan.

The Contractor shall be liable for loss or misuse of cards or stock until cards or stock are received at the county-designated location. The Contractor shall mail only inactive card stock to county issuance locations, and shall propose security measures to ensure the integrity of card issuance at the county locations.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.8.2 PIN Management**

The Contractor shall be responsible for PIN management. Consistent with Federal regulation, the Contractor shall ensure telecommunications network security and shall apply Data Encryption Standard (DES) algorithms to encrypt the PIN. For mail-based PIN issuance, the Contractor shall implement a secure method of generating and issuing PINs via the mail. PINs

must be mailed separately from cards with a delay between mailing dates. PIN management documentation shall be described in the EBT Security Plan. |

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.8.8.3 Deactivation for Invalid PIN attempts**

The Contractor shall limit unsuccessful PIN tries to three (3) consecutive attempts within a calendar day. Following the third unsuccessful PIN try, the Contractor shall deactivate the card until 12:00 midnight Pacific Time of the current business day. At midnight, the PIN count shall be reset to zero and the card reactivated.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.8.9 Card Information File**

The Contractor shall maintain information on card status. The information must be available to specified State and county staff via administrative terminal inquiry. At a minimum, information should include:

- County/office
- Recipient name
- Account number
- Type of account(s)
- Number of replacements
- Reason for replacements
- Dates of replacements

Card information must be available for inquiry by case. For example, if three cards are attached to one case, there must be an inquiry path to find all cards attached to the case and then to find the details listed above for each card.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9 Training**

For conversion the Contractor shall be responsible for training cardholders, retailers, and State and county staff. After conversion, the Contractor shall update the training materials on an ongoing basis as technology and needs change throughout the life of the contract. The Contractor shall provide ongoing training for retailers, while ongoing cardholder and administrative staff training will be the responsibility of the counties and/or State, using training materials provided by the Contractor.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.1 Cardholder Training**

In lieu of in-person, hands-on training for all cardholders (including head of household, ARs, and other designated cardholders), the State has requested and received a waiver from FNS, allowing mail-based training. The Contractor shall mail printed EBT training materials to authorized benefit users. Face-to-face training shall be available on an as-needed basis either at a card issuance site or at a walk in training site, depending on the county's chosen conversion methodology (See Section 6.8.1).

The Contractor's staff/trainers must have good interpersonal, communication and presentation skills. They must present themselves professionally and exhibit competence with large groups. The Contractor shall provide evidence, such as resumes or certifications, that the proposed trainers have appropriate experience.

The Contractor shall develop and submit a Recipient Training Plan that describes the scope and content of recipient training materials and plans for meeting the face-to-face training needs.

The Bidder should be aware that as a result of welfare reform efforts, a significant portion of the CalWORKs caseload is employed. The Bidder shall consider the need for flexible training hours in developing the Recipient Training Plan.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2 Cardholder Training Materials**

The Contractor shall develop and produce all training materials for cardholders. The Contractor shall provide draft and final versions of all training materials to the State for review and approval. The State must approve all training materials, in all languages required, in advance of production. For conversion activities, the Contractor shall produce enough printed training materials for the anticipated conversion caseload plus 20 percent. The Contractor shall be responsible for distributing training materials to designated county card issuance locations. Separate training materials will be developed for FSP only and FSP plus cash.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2.1 Language for Training Materials**

All training materials (including pamphlets, wallet cards, posters, videos and any other materials proposed by the Bidder) shall be in easy-to-understand language at a sixth grade education or reading level. The Contractor shall translate and produce all materials in all languages required by the provisions of the Dymally-Alatorre Bilingual Services Act of 1973 (currently English and Spanish), and additional languages identified by the State. Required languages are English, Spanish, Cantonese, Vietnamese, Cambodian, Russian, Hmong, Armenian, Lao, and Farsi. Training materials shall be provided according to the requirements of the CWD office. Not all counties and not all district offices in any one county will have the same language requirements. Current language demographics by county are located in Appendix D.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2.2 Training Pamphlet**

The Contractor shall develop training pamphlet(s) suitable for mailing to recipients and over-the-counter distribution. At a minimum, training pamphlets shall cover the following topics:

- How to request hands-on training
- Inability to access benefits from failure to select PIN and activate card
- Use of the EBT card at POS locations
- Use of the EBT card at ATMs, if appropriate
- Transactions that may be processed at ATMs
- Transactions that may not be processed at ATMs
- Fees associated with ATM usage
- Use and safeguarding of the card and PIN
- Card replacement and PIN change procedures
- Manual FSP transaction procedures
- Benefit availability dates
- Use of the transaction receipt to track balances
- All EBT transaction fees which may be charged to the recipient
- Reporting problems with the card or its use
- Reporting a lost or stolen card
- Use of the ARU
- Customer services (including TDD services)
- Recipients' rights, liabilities and responsibilities for use of the EBT card and PIN
- Exposure to loss of benefits before reporting loss or theft of card
- Error reporting and resolution procedures

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2.3 Wallet Cards**

The Contractor shall provide wallet cards, for cardholders to use as a quick reference guide. The wallet card shall provide illustrative and text-based instructions on EBT topics such as transaction processing, customer service and ARU access, reporting of lost or stolen cards, and exposure to loss of benefits prior to reporting a card lost or stolen.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2.4 Training Posters**

The Contractor shall design, print and distribute posters informing recipients about EBT implementation and EBT functions. Posters shall be distributed to CWDs three (3) months prior to implementation for each rollout area.

The Bidder shall provide each county welfare office and each training site with not less than eight (8) posters. Posters shall be of sufficient size, font, color, and design to insure readability. The content and layout of posters shall be defined by the Deliverable Expectation Document process. In no case shall posters be smaller than twenty (20) inches by twenty-eight (28) inches. The Bidder shall provide posters in accordance with the language requirements as specified in Section 6.9.2.1.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2.5 Training Video**

The Contractor shall develop a training video for distribution to county offices or designated card issuance locations. The training video shall be no more than fifteen (15) minutes in length, shall run in a continuous loop for one (1) hour, and shall cover similar topics as listed above for training pamphlets. The training video shall be directed at the sixth grade education level and shall include closed captioning. The State shall review and approve the video script and video prior to production.

The Contractor shall provide copies in English and Spanish, and the other languages as specified in Section 6.9.2.1 as required to meet counties' training needs. Videos produced in the additional required languages may be dubbed. The Contractor is not required to re-film the entire video in the foreign language.

The Contractor shall maintain the master recipient training video for the purpose of making copies as needed throughout the term of the contract. The contractor is responsible for producing sufficient copies of the video(s) to provide:



- Not less than five (5) copies per county district office in each language required by that district office
- Not less than two (2) copies of each video to the State

The Contractor shall provide additional copies as required for State and county offices on an as needed basis at no additional charge to the State.

If necessary, due to system changes during the life of the contract, the Contractor shall provide new releases of the training video addressing new training information.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.2.6 Storage of Training Materials**

All training materials shall be provided to the State in electronic media diskette, in a software version specified by CDSS. For ongoing training after conversion is complete, the Contractor shall provide camera-ready copies of all printed training materials to the State in sufficient quantities for distribution to the counties as needed.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.9.3 Retailer Training**

Retailer training encompasses training retailers accepting EBT-only POS equipment, non-traditional FNS retailers (e.g., group living facilities, route vendors, farmers' markets), retailers driving their own terminals, Third Party Processors, as well as those participating only in cash EBT. The Contractor shall provide training materials for retailers in English and Spanish. The State must approve all training materials in advance of production. At a minimum, the training material shall include: instructions for installation and operation of EBT-only POS equipment, a video prepared by the Contractor, an overview of key points in retailer training (settlement, complaint process, problem resolution, liability issues), and manual transaction processes for FSP transactions. The Contractor shall provide a Retailer Operations Manual for distribution to all retailers participating in EBT.

For all retailers, training materials shall be mailed; additional support shall be provided through the toll-free customer service number. Face-to-face training shall be provided upon request of the retailer when other avenues have been exhausted.

For non-traditional POS operators such as group living facilities, route vendors, and farmers' markets the Contractor shall also participate with the CWD in face-to-face outreach, such as regional meetings, covering an overview of EBT.

The Contractor shall develop a Retailer and Third Party Processor Training Plan describing at a minimum, the following:

- The approach to training various retailer types and third party processors
- Descriptions of training materials and content for retailers and third party processors
- Description of training to be provided via mail, telephone support and face-to-face
- Description of training for non-traditional retailers, including but not limited to group homes and farmer's markets

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.9.4 State and County Staff Training****6.9.4.1 Training Plan**

The Contractor shall develop and provide a Training Plan that describes the staff functions that will receive training and training curriculum, including training topics, methods, materials, timeframes, and mastery evaluation after completion. The Training Plan shall also describe training facility requirements, set up and equipment requirements, including computer and telecommunications connectivity requirements. The Training Plan shall describe if training will be computer-based, and if so, what equipment shall be used. The Training Plan shall also describe a train-the-trainer program for initial county overview training and ongoing training of recipients and county staff after conversion.

At a minimum, training shall cover:

- All training materials provided to recipients
- Use of the administrative terminal
- System functions
- Card status
- County responsibilities
- Equipment usage
- Card issuance and PIN selection processes
- Contractor contacts and escalation procedures
- Security for equipment, cards and data
- Error resolution process
- Settlement and reconciliation
- Using and understanding reports, and producing ad hoc reports
- Use of Administrative Terminals for fraud investigation
- Set-up and use of pseudo-households for investigative purposes

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.9.4.2 Training Materials

The Contractor shall provide printed training materials specific to each audience being trained in sufficient numbers to conduct initial training for all State and county staff. Camera-ready copies of these materials shall be provided to the State. These materials shall also be provided on electronic media in software designated by CDSS. Additionally, if the Contractor uses other materials for training, such as videos, copies of such training materials shall be provided to the State for use after implementation.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.9.4.3 Training Logistics

The Contractor shall conduct training during normal work hours (8:00 a.m. – 5:00 p.m.) on-site in each county office for county staff, and in Sacramento for State staff. The Bidder may propose a training approach that would have multiple counties or multiple district offices trained concurrently, provided that it corresponds to actual implementation schedules, and no participant would have to drive more than one hour each direction to reach the training location. If it is more efficient to conduct training for employees from several offices at one site,

the State and counties will determine the appropriate location. A multi-county training approach will only be adopted with State approval.

The Contractor shall supply equipment required to conduct training, including computer workstations, required by the Contractor's training plan.

The State and counties are responsible for providing training facilities. In advance of conducting State and county staff training, the Contractor shall specify site requirements, electrical or phone line needs allowing sufficient time for installations if needed.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.9.4.4 Training Prior to Implementation

The Contractor shall conduct the initial training prior to implementation in each county. Staff training shall not occur more than one (1) month or less than one (1) week before rollout begins in an area. The Contractor's trainer shall also be on-site during the first week of rollout in any implementation area.

The Contractor shall train county staff who will have primary responsibility for EBT activities. This shall include instruction on the operation of the administrative terminals, card production equipment, PIN selection equipment, and any other equipment necessary for local EBT operations.

Other State and county staff members will require function-specific training associated with their specific areas of responsibility (e.g., fraud, system security, settlement and reconciliation, system performance, inventory control, etc.). See Appendix K for estimated number of employees per county requiring function specific training.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.9.4.4.1 Conversion Overview Training

For general EBT overview training, the Contractor shall train state/county trainers to conduct sessions for State and county employees. See Appendix K for estimated number of county trainers. The estimated number of State trainers is ten (10). The overview train-the-trainer sessions will be provided on a timetable that is compatible with each county conversion schedule. The train-the-trainer sessions will be conducted far enough in advance to allow sufficient lead time for county trainers to subsequently train county employees prior to mailing EBT announcements to recipients.

To assist State and county trainers, the Contractor shall provide overview training videos and printed training materials sufficient for all employees receiving overview training. The written materials shall address county conversion methodology and schedule, recipient card and PIN replacement process, and common recipient question and answers.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.9.4.5 Ongoing Training

After the initial training, ongoing training will be the responsibility of the county or State. The Contractor shall provide training for State and county staff when changes are made to the EBT system that affect State or county operations.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.9.5 Community Based Organization Training

The Contractor shall provide EBT group training and training materials for staff of community based organizations (CBOs). Each session shall be approximately four hours in length. The county, in cooperation with the State will identify CBOs designated to receive EBT training.

CBOs are valuable local resources serving special needs populations, such as the elderly, homeless, mentally disabled and non-English speaking/immigrants. Many CBOs serve the same populations as County Welfare Departments. Providing outreach and training will prepare CBOs to respond appropriately to recipient questions related to EBT.

At a minimum, CBO training shall cover

- Federal regulations and State law highlights
- General overview of how EBT works
- EBT impact on stakeholders (recipients, retailers, counties)
- County conversion methodology and timeframes
- Recipient training materials
- How recipients can obtain additional training assistance
- Services provided by Contractor recipient customer service center
- How to report lost, stolen or damaged cards
- Card replacement and PIN selection procedures
- Fees for cash transactions (beyond first four and ATM surcharges)
- Recipient responsibility for card and PIN security
- County contact for CBO questions

CBO trainings will be conducted prior to recipient mailings announcing EBT. The County will secure facilities to conduct training sessions. It is estimated that each county will require one or two CBO training sessions. Large counties may require more than two. These CBO training sessions will be priced per session as shown in Section 7, Schedule 7, of the ITP.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### 6.10 Acquirer Participation

A variety of retailers, third party processors and networks will participate in the EBT system as acquirers. It is the responsibility of the Contractor to recruit acquirers for participation in both the Food Stamp and cash programs. The Contractor is also responsible for deploying POS devices as required, managing acquirer agreements, and daily settlement with all acquirers. The Contractor shall also certify third party processors and retailers processing their own transactions to ensure that they can communicate with the EBT host system.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.10.1 Retailer, Third Party Processor and Network Agreements

The Contractor shall enter into an agreement with each acquirer participating in EBT. Such agreements shall be between the Contractor and the acquirer directly; State and county governments shall not be party to any acquirer agreements. The agreement shall describe the terms and conditions regarding equipment use and maintenance, operating procedures, and rules. At a minimum, the agreements shall require compliance with Federal FSP regulations and the Quest Operating Rules. The Contractor shall have specific agreements to address the unique terms and conditions for different types of acquirers (e.g., retailers accepting State-deployed POS terminals; retailers driving their own terminals; third party processors; regional network(s) offering EBT gateway access services to direct connect processors and ATM and POS acquirers, etc.). Agreements shall specify performance standards for acquirers, including the ability to disallow participation in the EBT system as a result of failure to meet performance standards, if such disqualification is approved by the State. FNS and the State must approve all acquirer agreements prior to implementation. Bidders shall submit sample agreements with their Proposals.

The Contractor shall maintain appropriate documentation, including contracts with acquirers. This documentation must be made available to the State at least annually, upon request.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### **6.10.2 Third Party Processors**

It is the State's intent to use the existing commercial transaction processing infrastructure to the maximum extent possible. Retailers who own or lease POS terminals or who purchase transaction processing services from a third party processor shall be provided with the opportunity to use that equipment and/or service to process EBT transactions. The Contractor is required by FNS regulations to provide retailers with the opportunity to use third party processors to participate in the EBT system, if they so choose. The requirements of 7 CFR 274.12 (h)(5) must be met by third party processors to be certified to participate in the EBT system.

The Contractor shall develop a written Third Party Processor and ATM Network Certification Plan to allow third party processors access to the EBT system. These written third party processor standards shall be submitted to the State within thirty (30) days of the contract effective date and will be reviewed and approved by the State. Interface and certification specifications for participation in EBT shall be made available to the State, all third party processors and retailers statewide at least four (4) months prior to Pilot Implementation. The Contractor shall complete certification of all third party processor systems and retailer-driven systems in a region, that have a signed retailer agreement in place, one (1) month prior to startup of EBT operation in that region. All acquirers wishing to participate in the California EBT system shall undergo certification, regardless of their participation as an acquirer in other EBT systems. The Third Party Processor and ATM Network Certification Plan shall describe in detail the proposed certification requirements, the certification process, and required testing for certification.

While the State does not intend to monitor all contracts or agreements between the Contractor and third party processors, in the event of a dispute, the Project Director must be notified and will serve to help mediate the problem. This does not preclude the Contractor from developing procedures for dispute resolution regarding all areas that could result in disputes. The Contractor shall provide dispute resolution procedures as part of the Third Party Processor and ATM Network Certification Plan.

Certification requires a contractual understanding between the Contractor and the third party processor for settlement and liability. The Contractor shall be responsible for performing a certification test for each third party processor requesting an interface with its EBT system. The test will ensure that every third party processor function, message, response, and error exception meets the third party processor standards set forth by the Contractor as well as all applicable Quest Operating Rules and FNS requirements. For third party processors that have not been previously certified on the Contractor's EBT processing system, the certification shall include, at a minimum, performance testing (throughput and stress), and a review of system security, PIN encryption, and disaster recovery plans. The Contractor shall establish a



contractual understanding with third party processors requiring re-testing and certification for any significant

changes made by the Contractor or the third party processor to its software, and/or failure of the third party processor to perform according to performance standards.

The following information is provided to the Bidder as a guide for establishing agreements and interface requirements with third party processors.

- Third party processors must meet all third party interface specifications and certification standards. Third parties must undergo functional and acceptance tests as specified by the State.
- The Contractor shall provide a reasonable level of staff support and schedule test system availability so that certification is completed within thirty (30) days of written notification from a third party processor that it is ready to be certified.
- The Contractor shall inform the State in the event that it is unable to establish or maintain a working relationship with a third party processor.
- The third party processor is liable to the retailer for any losses that occur due to third party processor performance.
- Third party processors are responsible for the costs of third party processor system software changes required to meet the Contractor's interface requirements.
- Retailers are responsible for the costs of third party processor retailer terminal software changes.
- The Contractor shall absorb its own costs when certifying a third party processor.
- The State will not pay for POS equipment or telecommunication network cost utilized for both EBT and commercial transactions.
- The State will not pay switch fees charged by third party processors or networks for handling EBT transactions.
- The State will not be liable to the Contractor for third party processor errors.
- The Contractor may charge a reasonable and customary fee for de-installation of POS equipment the Contractor has installed on the State's behalf in a retailer/merchant site, should the retailer/merchant decide to use a third party processor and different POS devices.
- Cost of supplies for terminals used for both EBT and commercial transactions shall be borne by the owner of the terminals.
- Third party processors are responsible to retailers via help line support as a first step in resolving problems with transactions and disputes; however, the Contractor shall cooperate with the third party processor in resolving disputes and problematic transactions.
- The Contractor is responsible for providing the most accurate data to retailers regarding Automated Clearing House (ACH) deposit totals via Customer Service Center (CSC) support.

- The Contractor is responsible for providing EBT training information/materials, and training to third party processors, who will be responsible for ensuring that retailers using the TPP are trained.
- Contractor shall ensure that third party processor automated systems cannot corrupt the EBT database through a computer virus.
- The Contractor shall certify all third party processors as meeting requirements set forth in 7 CFR 274.12 (h)(5).
- Third party processors shall not be certified unless they can perform the minimum transaction set needed for the FSP, and can issue receipts for FSP transactions with truncation of the card number.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### 6.10.3 Food Stamp Retailer Management

The Contractor shall develop and maintain a database and database management system that is structured to ensure that accurate EBT transaction detail pertaining to each retailer is captured. The Contractor shall provide physical and logical security to the retailer management data and shall ensure the confidentiality of retailer data.

The Contractor shall ensure that only FNS-authorized retailers are accessing FSP benefits. The Contractor shall interface with the FNS Retailer EBT Data Exchange (REDE) system to obtain valid Food Stamp retailer authorization numbers, and shall maintain a mechanism for obtaining daily updates.

The Retailer EBT Data Exchange (REDE) Subsystem supports interoperability which allows a Food Stamp benefit recipient from one state's (or county's) program to make EBT purchases in another state (or county). Interoperability is supported through the notification of all EBT processors concerning changes in any FSP retailer's authorization status. The REDE Subsystem provides this data not only to the state and/or county EBT processors, but also to organizations that may provide gateway services to multiple EBT processors and/or to any other FNS-approved organizations. The data provided on each store authorized to accept FSP EBT transactions is limited to only that data which allows the basic identification of the store as an authorized retailer.

The Contractor shall ensure that new retailers are enabled to conduct Food Stamp transactions within two (2) weeks of communication of authorization by FNS if the Contractor acts as acquirer, or within thirty (30) days (or a mutually agreed upon timeframe) for retailers processing transactions through a third party.

The Contractor shall receive daily disqualification updates from FNS. Within two (2) business days of receipt from FNS, the Contractor shall incorporate any retailer disqualification or withdrawal information into its Food Stamp retailer management database.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### **6.10.4 POS Terminal Deployment**

##### **6.10.4.1 Traditional FNS retailers**

The Contractor shall ensure that FNS authorized retailers are equipped to participate in EBT. The Contractor shall consider that California has an existing POS infrastructure and many of California's food retailers are equipped for EFT and can accommodate EBT without a need for government supplied equipment. In such cases, the EBT system shall interface with existing devices. However, no FNS authorized retailer shall be required to use its own commercial EFT equipment for EBT.

There are FNS-authorized retailers whose primary language is not English. It is nonetheless the Contractor's responsibility to ensure that all FNS-authorized retailers are equipped and trained to participate in EBT. Language barriers do not excuse the Contractor from this requirement.

The Contractor must provide POS hardware to any FNS-authorized food retailers with Food Stamp redemptions of at least \$100 per month that do not have, or do not intend to use, their own POS terminals. POS terminals shall be provided based on the lane equipage formula described in Federal Regulation 7 CFR 274.12 (g)(4)(ii). At their own expense, those retailers with less than \$100 per month in Food Stamp redemptions may arrange to obtain the equipment necessary to participate in EBT. Those choosing not to acquire their own equipment will be allowed to participate in EBT using manual vouchers.

The Contractor shall order and maintain phone lines for retailers with EBT-only POS equipment deployed by the Contractor, if needed. A telephone line may be installed based on the following criteria: any supermarket with multi-lane coverage; or \$8,000 average food stamp sales per month for neighborhood grocery stores; or \$3,000 average food stamp sales per month for convenience stores.

The formula developed by FNS for terminal deployment in stores represents the maximum number of POS devices that the State will provide at no cost to the retailer. The retailer can request additional terminals to be installed at their own cost. The State will not provide balance inquiry only devices to retailers. Retailers may install such devices at their own cost, if they so choose. Bidders shall specify the cost for retailers to purchase or lease such additional equipment in Section 7, Pricing Proposal.

Federal regulations require that "The EBT system shall provide for minimal disruption of access to and service in retail stores by eligible households." 7 CFR 274.12 (f) (9). To ensure that recipients' normal shopping patterns are not disrupted, the Contractor shall be responsible for ensuring, at a minimum, that retailers within three (3) miles of the state border are equipped to participate in EBT. This could be achieved through connection with retailers driving their own terminals, deploying EBT-only POS devices, and/or providing interoperability with border states that are already operating EBT systems. Normal shopping patterns will be identified by each CWD, and may extend beyond three (3) miles of the border. In such cases, additional connections with retailers and/or POS deployment may be required. No EBT access to FSP benefits shall be permitted beyond the United States borders.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.10.4.2 Group Living Arrangements

Group living arrangement facilities may include federally subsidized housing for the elderly, drug and/or alcohol treatment rehabilitation centers, battered women shelters, foster family settings, and nonprofit shelters for homeless persons.

FSP benefits may be redeemed at group living facilities and homeless meal providers that are FNS authorized. This solution will require FNS authorization of group homes and homeless meal providers that may currently function as ARs. This provision does not preclude a group living facility from being named as an AR.

To support EBT usage in such facilities, the Contractor shall deploy a POS device to each FNS authorized group living facility or homeless meal provider that meets the \$100 minimum monthly redemption requirement. The terms and conditions for terminal deployment, technical standards and requirements, maintenance, and support of terminals at such locations shall be the same as for all other POS deployment. (See Section 6.10.5, POS Terminal Technical Standards)

At the group living facility, the recipient will use the EBT card at the POS to transfer the required amount of benefits to the facility. When the recipient leaves the group living facility, the facility will execute a transaction to return any portion of the monthly allotment to which the recipient is entitled, in accordance with federal and state regulations and the retailer agreement. A copy of the transaction receipt will be provided to the recipient and retained by the facility to document the transfer.

POS devices deployed to group living facilities may also be used to access cash benefits if the group living facility chooses to provide such a service.

Contractor shall provide face-to-face training opportunities for group living facility personnel beyond the minimal POS installation instructions to be provided to traditional retailers.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.10.4.3 Other Non-Traditional Retailers**

Other non-traditional Food Stamp retailers, such as route vendors and Self-Help and Resource Exchange (SHARE) locations, will be accommodated through the manual voucher process. POS devices may be deployed to headquarters locations for such organizations for the purpose of electronically clearing manual vouchers. The terms and conditions for terminal deployment, technical standards and requirements, maintenance, and support of terminals at such locations shall be the same as for all other POS deployment. (See Section 6.10.5, POS Terminal Technical Standards.)

Farmers' markets in the state will be accommodated with manual vouchers or POS devices, depending on the volume of Food Stamp transactions and the particular circumstances of individual markets. The State is also seeking an alternative technology or innovative solutions for the accommodation of farmers' markets that conduct a large volume of Food Stamp transactions. Refer to Section 5.11, EBT System Innovation, and the information on California's farmers' markets in the Bidder's Library.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.10.4.4 Cash Access**

The Contractor shall deploy additional POS terminals at locations other than FNS retailers, as determined by the State to be necessary to achieve reasonable access to cash benefits. The Contractor, in consultation with the State and county, shall propose locations for deployment of such terminals. A schedule must be approved by the State prior to installation of any cash access POS devices. The terms and conditions for terminal deployment, technical standards and requirements, maintenance, and support of terminals at such locations would be the same as for all other POS deployment. Refer to Section 5.10 for a discussion of cash access.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.10.5 POS Terminal Technical Standards**

POS terminals provided by the Contractor shall accommodate both single lane and multilane stores. Terminals deployed through the Contractor shall meet the operational requirements of the EBT system and support the full EBT transaction set, including cash transactions. The only type of transaction that does not need to be supported on the EBT-only equipment is Store and Forward. The terminal must provide for visual verification of the transaction message before positive action is taken by the cardholder to release the message for authorization and settlement. All terminals deployed by the Contractor shall conform to the message format established in the Quest Operating Rules and shall contain a "print last receipt" function.

Proposed POS hardware (brand and model), software and technical capabilities shall be specified in the Bidder's Proposal. During any test phase, the Contractor shall provide examples of the types of POS terminals to be used in operation.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.10.6 Transaction Receipts**

At the end of each transaction the POS terminal shall produce a dual copy receipt for each transaction regardless of whether or not the transaction was completed (e.g., communications error). One copy shall be for the recipient; one copy shall be for the retailer.

The POS terminal shall produce a receipt that displays the following information:

- Terminal ID
- Retailer's name and location
- Terminal-generated transaction sequence number
- Transaction date and time
- Recipient identifying number (i.e., last four digits of the PAN)
- Store clerk ID
- Transaction type
- Transaction amount
- Available balance
- Transaction result
- Error message

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.10.7 EBT-Only POS Terminal Support Services**

For all POS terminals deployed by the Contractor, the Contractor shall provide installation

training and support, preventive maintenance, repair or replacement of faulty POS terminals, and supplies.

A Federal waiver has been granted permitting the shipment of POS devices with instructions for retailer installation. For those retailers that require assistance, a toll-free number shall be available, staffed by Contractor technicians knowledgeable about installation and testing of POS equipment. After telephone assistance has been provided, if a retailer continues to experience difficulty in installing and testing POS devices, a trained technician shall provide on-site assistance at no cost to the retailer. On-site assistance shall be provided within 24 hours of the retailer's request seven (7) days a week throughout the year.

The Contractor shall ensure that EBT-only POS equipment is maintained in working order. Equipment shall be replaced or repaired within 24 hours of receipt of a service request.

The Contractor shall ensure that POS supplies are available to retail stores equipped with EBT-only POS equipment. The Contractor may choose to allow a retailer to purchase supplies and provide credit to the retailer for those purchases.

A Federal waiver has also been granted to allow the Contractor to charge a retailer a reasonable cost to reinstall POS devices under certain circumstances, such as when a retailer has been disqualified due to a breach of the retailer agreement, or voluntarily withdraws from the EBT program and then later becomes re-certified or has been sanctioned by FNS. In such cases, the retailer, rather than the State, would be required to pay reinstallation costs.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### **6.10.8 Manual Vouchers for Food Stamp Transactions**

The Contractor shall provide a manual voucher process for merchants that do not have access to a POS device, such as retailers with less than \$100 in Food Stamp redemptions per month and non-traditional retailers such as farmers' markets and route vendors.

The manual voucher process shall also be used in the event that the retailer's system cannot communicate with the Contractor's system during a FSP transaction. This may occur when the PIN pad, card reader, or POS terminal fails, or there is a problem with an intermediate third party processor. In such instances, if the telephone lines are operational, the retailer shall call the Contractor's customer service number to receive an authorization number for the transaction and complete the transaction using a manual voucher process. The manual voucher will include, at a minimum, the amount of the transaction and the authorization number. The retailer will ask the recipient to sign the voucher, provide a copy to the recipient, and submit the original voucher to the Contractor for reimbursement. If telephone authorization was not obtained at the time of purchase, and the transaction is denied, the retailer is liable for the full transaction amount.



The retailer must submit the voucher to the Contractor within fifteen (15) days. If the Contractor has not received a paper voucher or an electronically converted voucher for an approved manual voucher transaction within fifteen (15) days, the transaction shall be flagged as expired, and the transaction amount shall be credited back to the recipient's account. In such cases, the retailer is liable for the amount of the transaction.

Manual vouchers may not be used to access cash benefit accounts.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### **6.10.9 Off-line Transaction Floor Limit**

In the event that the Contractor's system is down, the Contractor shall invoke a floor limit, whereby the retailer may conduct a food stamp purchase transaction using a manual voucher without an authorization number. When the floor limit is in effect, the retailer may conditionally approve transactions, not to exceed a \$40 floor limit at the Contractor's liability. The retailer is liable for the full transaction amount if the transaction exceeds the floor limit.

The Proposal shall address circumstances under which the floor limit shall be invoked at the Contractor's liability, including certain telecommunications failures. Proposals must also explain the means for communicating to the retailers and the State the invocation of floor limits and the associated acceptance of liability.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### **6.10.10 Store and Forward**

A retailer may electronically store and forward an FSP transaction provided that its equipment is capable of storing the cardholder's encrypted PIN. The EBT system shall be capable of accepting Store and Forward transactions from retailers' POS devices. Any such transactions conducted without prior authorization are conducted at the retailer's risk and liability. Resubmissions of these transactions are not permitted nor may they be carried over from month to month. Re-presentation of transactions is not permitted. Retailers are liable in the event of insufficient funds or incorrect PIN.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.10.11 Re-presentation**

Though Federal Regulations allow representation in certain limited circumstances, re-presentation will not be allowed by the State, and shall not be part of the EBT system. The State reserves the right to allow re-presentation in the future if the State finds it necessary or desirable.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.10.12 Settlement and Processing Support**

The Contractor shall establish a daily cutoff schedule for redemption and settlement, develop settlement procedures, and provide retailer settlement information via the CSC. See Section 6.12, Settlement and Reconciliation, for a full description of settlement activities.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.10.13 Signage**

The Contractor shall develop standard format signage, in accordance with the provisions of the Quest Graphic Standards Manual, to indicate which stores and lanes accept California EBT transactions. The Contractor shall provide such signage to all merchants using EBT-only equipment, and other participating merchants upon request. Merchants desiring a custom format signage shall be responsible for the development and production of their own signage. Each merchant participating in the California EBT program shall display the Quest Mark in accordance with the provisions of the Quest Graphic Standards Manual.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

**6.11 Customer Service****6.11.1 Customer Service Hours**

The Contractor shall provide a Customer Service Center (CSC) and Automated Response Unit (ARU) to provide responses to recipient and retailer questions. The ARU shall be available 24 hours per day, 7 days per week. Customer Service Representatives (CSR) shall staff the CSC and provide assistance beyond what is available through the ARU.

The State anticipates that the need for the full scope of customer services will be much less during late night and early morning hours (e.g. graveyard shift). Therefore, the Bidder may propose minimal customer service staffing during periods when call volume is least.

At a minimum, all recipients must be able to deactivate a lost or stolen card, and make a balance inquiry 24 hours per day, 7 days per week. All FNS-authorized retailers must be able to get authorization for a manual FSP transaction 24 hours per day, 7 days per week. These functions must be available to all recipients and retailers respectively, including those unable to use the ARU because they do not have a touch-tone phone.

In the Proposal, the Bidder shall describe its customer service staffing plan, and proposed staffing levels for the various shifts.

- Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### 6.11.2 Recipient Customer Service

The Contractor shall provide customer support to recipients via a toll-free telephone number available 24 hours per day, 7 days per week. The ARU will prompt the caller to indicate whether he/she is using a touch-tone telephone. If there is no response, the call shall automatically be transferred to a CSR.

The Contractor shall propose a process to control access to recipient information through the CSC through the use of a password or identifying information.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.11.2.1 Pay Telephones

Recipients shall be permitted to call the CSC from pay telephones. Any pay telephone charges resulting from the 1997 Federal Communication Commission's regulations permitting pay telephone owners to charge long distance companies when toll-free calls are placed from pay telephones will be billed to the State as a pass-through of the actual cost for such calls.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Description (if any): \_\_\_\_\_

#### 6.11.2.2 Customer Service Languages

Customer service shall be provided in ten (10) languages: English, Spanish, Cantonese, Vietnamese, Cambodian, Russian, Hmong, Armenian, Lao, and Farsi. All ARU menu options shall be available in these ten (10) languages 24 hours per day, 7 days per week.

English and Spanish speaking Customer Service Representatives shall be available 24 hours per day seven days per week, as required by the Dymally-Alatorre Bilingual Services Act of 1973.

For the purpose of deactivating a card the Contractor shall provide, in addition to the English and Spanish CSRs, operator assisted customer service in all ten languages 24 hours per day, seven days per week. For all other customer service functions operator assistance shall be available in Cantonese, Vietnamese, Cambodian and Russian 7 a.m.- 9 p.m. Pacific Time, seven (7) days per week. The Contractor may determine whether to use CSRs or a translation service to meet these language requirements.

The languages currently required by the Dymally-Alatorre Act may change over time. The Contractor shall be required to meet the requirements of the Act. The inclusion of additional languages as may be required by the Dymally-Alatorre Act shall be accomplished as a Change Order under the terms of the Contract.

In the response to this section, the Bidder should specify how it will meet these language requirements.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.11.2.3 Recipient Customer Service Functions

The CSC and/or ARU shall provide information and service on the functions described below. Service needs that require interaction with a CSR, such as reporting a lost card, will automatically transfer the caller to a CSR.

- **Report a lost/stolen card** – Securely deactivate a card and/or freeze an account at the request of the head of household or cardholder.
- **Conduct a current balance inquiry** - "Real-time" account balance information by program.
- **Review transaction history** - Information about the last ten (10) transactions by program including the transaction amount and date.
- **Inquire about account history** - Request a two-month statement of account history by program to be mailed to the head of household within five (5) business days.
- **Request a replacement card** – Information about benefit card replacement procedures.
- **Change PIN** – Change PIN through the ARU and information about other PIN change options.
- **Identify benefit access/service points** – At a minimum, this should include high-level information about POS/ATM acquirers and how to obtain detailed information about locations.
- **Determine the number of remaining free cash withdrawal transactions**
- **Report unauthorized card use** – Information about reporting unauthorized card use.

The State must review and approve all ARU messages in all required languages before they are used on the system. The option to speak to a CSR shall be positioned in the ARU menu so as to maximize ARU efficiency while ensuring that the cardholder's needs will be satisfied without unreasonable delay or complexity. The Contractor shall not change ARU messages or menu functions without prior approval of the State.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### 6.11.2.4 Dispute Resolution

The Contractor shall develop a Dispute Resolution Manual to detail the process and procedures it will use to manage disputes reported to the Customer Service Center. The dispute resolution procedures shall include timelines and escalation levels, to include all parties in the dispute including the Contractor, State and county staff, acquirers and recipients, as appropriate. The Dispute Resolution Manual shall be provided to the State for approval prior to the beginning of the Pilot Implementation. The following guidelines represent minimum standards for recipient dispute resolution.

The CSR shall document recipient calls reporting an error or a discrepancy regarding an account balance or a transaction. The CSR shall record pertinent information about the recipient, nature of the complaint or discrepancy, and date and time of call, action taken, resolution, and date of resolution. The recipient shall be given a control number for tracking purposes. The county and State shall have access to such dispute logs as needed.

The Contractor shall first determine if a reported problem is due to a system error. If it is, the Contractor shall be guided by the requirements for Transaction Adjustments, Section 6.6.2.4.1. If the dispute is not clearly the result of a system error or involves a human error, the Contractor shall take reasonable and appropriate steps to research and resolve such problems as specified in the Disputes Resolution Manual. The CSC shall initiate an investigation immediately upon report of a dispute. Within two (2) business days, the Contractor shall forward information regarding the discrepancy to the proper third parties for resolution (e.g., CWD, retailer, third party processor). Acquirers shall be governed by the Quest Operating Rules' timeframes for providing requested information to the Contractor. Once the Contractor has received all necessary information, the Contractor shall resolve the dispute within five (5) calendar days. In all cases, the Contractor shall resolve disputes as quickly as possible.

Upon resolution of the dispute, the Contractor shall either adjust the recipient's account or notify the recipient that the request has been denied and the reason for the denial.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.11.3 Retailer Customer Service**

The Contractor shall provide customer support to retailers via a toll-free telephone number available 24 hours per day, 7 days per week. Customer service for retailers shall be provided in English and Spanish. The number for the retailer ARU and CSC shall be different than the recipient customer service number.

If a retailer experiences a problem with transaction processing and the retailer uses a third party processor and does not have an agreement directly with the Contractor, the retailer shall contact its third party processor first to resolve the problem. If the TPP determines that the problem lies with the Contractor, or if the TPP cannot determine where the problem lies, the TPP will contact the Contractor directly.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.11.3.1 Retailer Customer Service Functions**

Retailer customer service shall be available for manual transaction authorization; settlement information and support; general problem resolution; and POS terminal service. The Contractor shall establish procedures for problem and error resolution, and CSRs shall be trained in such procedures. Acquirer error resolution procedures shall conform to EFT industry standards and Quest Operating Rules. Escalation procedures for retailer calls shall be provided to the State prior to the onset of Pilot Operations.

At a minimum, the retailer CSC shall provide the following services:

- Provide authorization numbers for manual vouchers
- Track vouchers
- Track the number of vouchers returned or unpaid and reason returned or unpaid
- Collect information to provide a report detailing terminal problems
- Track the number of dispatches (terminals replaced or repaired)
- Track the number of trouble tickets, repair orders, and open or closed work orders
- Track orders pending resolution from prior months
- Track closed reports with explanation of problem and resolution
- Provide settlement and reconciliation information and problem resolution

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

**6.11.4 Recipient and Retailer CSC Performance Standards**

The Contractor shall ensure, through technical design, resource allocation, and staffing that all calls to the CSC(s) are answered and attended in a manner consistent with industry standards for customer service. Customer Service Centers shall have sufficient capacity to manage expected call volumes during start-up and ongoing operations. Performance standards shall include number of rings prior to answer, average time on hold, percent of calls experiencing a busy signal, and dropped calls, measured on a monthly basis. The State recognizes that CSC performance standards have a direct impact on the price of service. Therefore, the State requires that the Bidder provide pricing for two levels of service in Section 7, Schedule 2a and 2b. The State will select the level of service that best meets the objectives of the procurement.

**Customer Service Performance Levels**

<b>Performance Measure</b>	<b>Description</b>	<b>Level 1 Service</b>	<b>Level 2 Service</b>
Rings Before Answer	Percentage of calls that must be answered within four rings	95%	90%
Time on Hold	Average time callers spend on hold waiting for service from a CSR	Less than one minute for 90% of calls Less than two minutes for 99% of calls	Less than two minutes for 90% of calls Less than three minutes for 99% of calls
Dropped Calls	Percentage of calls dropped from the ARU due to insufficient capacity to hold the calls in the cue. This does not include callers that voluntarily hang up.	No more than 3%	No more than 3%
Calls Experiencing Busy Signals	Busy signals on calls that fail to reach the ARU because the trunk line coming into the ARU has inadequate capacity to accommodate the call volume.	No more than 5%	No more than 5%

The Bidder shall provide a staffing plan for the CSC that includes staffing assumptions, needs by shift, back-up staffing, and monitoring requirements. The proposal shall provide sufficient detail to allow the State to understand the relationship between cost, staffing assumptions, and client and retailer satisfaction at both levels of service described above.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_



**6.11.4.1**

Section Deleted. Refer to Section 6.13.7.2, Customer Service Performance Reports

**6.11.4.2 Customer Service Center Audit**

The State reserves the right to monitor both CSR performance and dispute resolution findings. State monitoring may include periodic on-site observation of CSR calls, and audit of error resolution records. The State also reserves the right to make test calls whereby State personnel

call the toll free number posing as a cardholder. The Contractor shall make records and facilities available on three (3) days advance notice. The State may allow additional retrieval time for archived records should the audit involve records older than one year. The Contractor shall provide headset(s) or comparable means of monitoring CSR/cardholder interaction on a random basis. The Contractor shall also allow the monitor to observe logging and tracking of disputes resulting from the calls being monitored.

At the sole discretion of the State, the Project Director or designee may perform an audit to include:

- A statistically significant random sample of disputes for compliance with: time requirements for response and resolution; detail and quality of narrative and evidence obtained, including an assessment of evidence collection appropriate to the dispute; and accuracy of findings and decision.
- Random monitoring of CSR calls for: technical knowledge, courtesy, follow-up, accuracy and thoroughness of documentation, and utilization of tools and resources available to serve cardholders.

Prior to beginning the audit of the Customer Service Center, the State reviewer shall discuss scope, objectives and expectations for the audit with the Customer Service Manager. Audit criteria shall be based upon the standards for CSR performance as prescribed in the State approved Dispute Resolution Manual. Upon completion of the audit, the reviewer shall prepare a report of the audit and conduct an exit interview with the Customer Service Manager. In the event the reviewer finds deficiencies that, in the opinion of the State are of a serious and systemic nature, the Contractor shall implement corrective action in accordance with State expectations. The State shall conduct a follow-up audit thirty (30) days following the initial report of deficiencies. If the State continues to note deficiencies, the Contractor shall be subject to withholding of payments.

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

#### **6.11.5 Customer Service Reporting**

The EBT system shall collect customer service line activity information and provide a statistical summary report of Customer Service Center and ARU activity. The Contractor shall also provide a recipient and retailer problem trend report. This report shall be used for tracking and management control.

In addition to routine Customer Service activity reporting, the Contractor shall maintain detailed information on calls to the Customer Service Center reporting errors or discrepancies in recipient accounts (see Section 6.11.2.4, Error Resolution).

Meets Requirement: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_